

Qs & As for Special Needs Plans (SNPs) That Serve an Institutional Population

Background: Some organizations are interested in implementing special needs plans (SNPs) to serve Medicare Advantage (MA) beneficiaries in long-term care facilities. As with other SNPs, an institutional SNP is an MA plan in all requirements except that it can restrict its enrollment to institutionalized beneficiaries. However, because institutional SNPs will be enrolling a very limited beneficiary population, we expect there will be some operational differences as compared to SNPs open to broader enrollment. The following five Q&A's discuss special characteristics of institutional SNPs.

Q1: How does CMS define “institutionalized” for purposes of an MA SNP?

A1: For SNP purposes, institutionalized means an MA eligible individual who resides or is expected to reside in a long-term care facility for 90 days or more based on a CMS-approved assessment. This may include those living in the community but requiring an equivalent level of care. A long-term care facility can be a SNF, NF, SNF/NF, inpatient psychiatric facility and/or ICF/MR.

Q2: What service area requirements will apply to an institutional SNP?

Answer: We anticipate that organizations offering SNPs that serve an institutional population may operate with very low enrollment levels and few skilled nursing facilities under contract. CMS may allow an institutional SNP to establish a county-based service area as long as it has at least one long term care facility that can accept enrollment and is accessible to the county residents. CMS requirements do not allow discriminatory selection of enrollees, i.e., “cherry picking.” by an MA organization offering an MA plan. However, we do not believe (the location of the facility within a county) will necessarily present a significant discriminatory issue for institutional SNPs because institutional status requires that beneficiaries are long term care facility residents for 90 days or longer, and most people in this category will either be in a custodial status (Medicare generally covers only 100 days of SNF care per benefit period) or on Medicaid (which means lower income people would generally be included.) Nevertheless, as with all MA plans CMS will review the plan's marketing / enrollment practices and long term care facility contracts to confirm that there is not a discriminatory impact in terms of excluding either “sicker”, lower-income or minority beneficiaries in its service area.

Q3: What access requirement applies to an institutional SNP?

Answer: As noted above, CMS may allow an institutional SNP to operate as long as it has at least one long term nursing facility under contract. As an MA plan, an institutional SNP is also responsible for providing or arranging for all medically necessary Medicare covered services.

Q4: What marketing requirements apply to institutional SNPs?

Answer: By definition, institutional SNPs will enroll a limited group of beneficiaries and may also have limited enrollment options (e.g., the plan may have only one contracted long term care facility in a county with a few open beds.) Given these conditions, we may not require such a SNP to broadly market its plan. However, the overall Medicare population, as well as beneficiaries who meet the SNP eligibility requirements, must have reasonable access to information describing all MA plans (including institutional SNPs) that are available in a county. Importantly, information on these plans must be made available on CMS' web site so that interested beneficiaries (or their families) can identify institutional SNPs that are available in a county.

Q5: Do institutional SNPs have to meet the standard Medicare quality reporting requirements of the MA program?

Answer: We have determined that the current versions of the Medicare Health Plan Employer Data and Information Set Measures (HEDIS), the Medicare Consumer Assessment of Health Plans Study (CAHPS) and the Health Outcomes Survey (HOS) measures may not be appropriate for SNP *institutional* plans. Many of these measures are not applicable to institutional residents and would be very difficult to collect. For example, it may be hard to interview nursing home residents and/or to locate their family members.

Instead, we are considering requiring all institutional SNPs to submit the following: 1) MDS- (Minimum Data Set) type measures that are used for nursing homes by the Medicare program. These measures are similar to the MDS measures currently collected by CMS for nursing home residents, but have some differences to reflect the unique aspects of MA special needs plans; and, 2) measures of hospitalization, and emergency room usage for nursing home residents in SNPs. Furthermore, CMS may compare the institutional plans MDS scores with national MDS scores.

We will make a determination on reporting for other types of SNPs, e.g., those proposed to serve chronically ill or disabled beneficiaries, depending upon the type of populations served. Please note, that SNPs that are set up to serve **dual eligible** populations would need to meet the standard requirements as to HEDIS, CAHPS, and HOS reporting.